



VATICAN MEETING — Pope Paul VI signs a photograph album for Metropolitan Athenagoras of Thyatira, the Greek Orthodox archbishop of Britain, who called on him with a message from Orthodox Patriarch Athenagoras I. The Patriarch's message expressed joy and gratitude over his meeting with the Pope in the Holy Land.

PMA, engineers in settlement, easing threat

SAN FRANCISCO (UPI) — Maritime Engineers and the Pacific Maritime Association settled a three-day dispute Sunday which had idled five ships and threatened to tie up virtually all West Coast shipping.

Engineers, seeking a more liberal pension plan in line with a program recently won by East Coast engineers, had refused to sign on their assigned ships.

The work stoppage was not authorized by the union, the Maritime Engineers Beneficial Association, because the contract was not scheduled to expire until June.

However, a PMA spokesman said that under terms of Sunday's agreement, the contract was extended from June 1964 to 1965 in line with the program on the East Coast.

Engineers won pension parity with their East Coast counterparts, \$300 a month instead of \$200, and the PMA won the right to discuss reduction of crews through automation. If such discussions become deadlocked, the issue then goes to arbitration.

One of the first vessels idled by the dispute was the luxury liner President Wilson, originally scheduled to depart on a six-week tour of the Orient Friday morning. The ship departed Sunday afternoon with 249 passengers aboard.

Three Matson Line freighters were idled briefly. They included the Hawaiian Packer, Hawaii Builder and Hawaiian Citizen. The Builder and Packer were scheduled to inaugurate a new \$2.5 million container service from the Pacific Northwest to the Hawaiian Islands.

The lumber transport John Weyerhaeuser was idled at Aberdeen, Wash., but was expected to sail for Korea today.

Temperatures

Temperatures during the 24 hours ending at 4 a.m. PST today.

	High	Low	Pcp.
Bend	38	31	1.03
Astoria	52	38	.63
Baker	45	35	.30
Brookings	52	46	2.12
K. Falls	42	32	.82
Medford	60	38	1.91
N. Bend	51	44	2.06
Pendleton	55	37	.05
Portland	48	36	1.08
Redmond	41	31	.51
Salem	50	39	1.64
Chicago	48	36	.33
Los Angeles	61	49	—
Phoenix	61	38	—
San Fran.	57	53	.21
Seattle	45	35	.78
Washington	47	34	—

FLOWER FESTIVAL OPENS
SAN REMO, Italy (UPI)—A crowd of 700,000 persons attended the opening of the annual European Flower Festival at this Riviera resort Sunday. Folklore groups from 12 European countries attended.

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Auto industry's big three advised to trim prices

WASHINGTON (UPI) — The auto industry's "big three" were advised indirectly today to cut prices in advance of this summer's negotiations with the United Auto Workers Union (UAW).

President Johnson's Council of Economic Advisers, in their report to the Chief Executive, did not mention General Motors, Ford or Chrysler by name. But they called for price reductions in industries with above-average productivity gains and high profits.

Council Chairman Walter W. Heller told reporters at a briefing on the report that the auto industry would fall into that category.

Administration officials have expressed concern privately that UAW President Walter P. Reuther would "go for broke" and demand sizable pay increases from the automakers following a record sales year. UAW contracts expire Aug. 31.

With this apparently in mind, the council said that firms benefiting from sharp productivity increases would tend to pile up profits if wages rose only as fast as the national productivity trend.

Lure For Demands
Then, in words that could be addressed to the auto industry, the council added:

"Such profits become highly visible to the public and consti-

Stassen tosses his hat in ring

WASHINGTON (UPI) — Harold E. Stassen, former "boy wonder" of Republican politics, announced today he will run for the GOP presidential nomination.

The 56-year old Stassen, said he will enter the New Hampshire primary March 10, the California primary June 2, and the Washington, D.C. primary May 5, along with "certain other primaries."

Stassen, who was governor of Minnesota at the age of 31 and served as former President Dwight D. Eisenhower's disarmament advisor, said his proposed program will be based "on the principles and policies of Gen. Eisenhower's eight great years as president."

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tute a lure for strongly intensified wage demands. Such circumstances pose a most unattractive dilemma from the viewpoint of the public interest.

"On the one hand, extra increases in wages or fringe benefits might tend to spread to other industries, creating a general cost-push from the wage side.

"On the other hand, there is no justification, on either economic or equity grounds, for distributing above-average gains in productivity exclusively through the profits channel.

"The real way out of this dilemma is for the firms involved to remove its cause by reducing prices," the council said.

The council statement on price reductions appeared first in its 1962 report. But Heller and his aides conceded that "large industrial enterprises thus far have not widely heeded this advice."

Preserve Good Record

Johnson declared in his message to Congress that he would speak out against "major actions by either business or labor that flout the public interest in non-inflationary price and wage standards." He said he was counting on responsible labor leaders and industrialists to preserve the good price-wage record of recent years.

Reuther's intention to drive for a big pay increase, however, could confront Johnson with the problem of whether to denounce a union leader who is a power within the Democratic party. The contracts expire two months before the 1964 presidential election.

Along with other AFL-CIO officials, Reuther is said to believe that organized labor has been too moderate in its wage demands in the past. One labor source said Reuther personally called on Heller to avoid any strong criticism of big wage gains in this year's economic report.

Administration officials apparently believe that reductions in car prices would take some of the steam out of a UAW drive for sizable pay gains. They are apprehensive, however, that less profitable Ford and Chrysler might suffer if General Motors took the advice and lowered prices substantially. GM, the industry's giant, has rolled up the biggest profits, too.

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LBJ answers Nikita, asks him to join in specific proposals

WASHINGTON (UPI) — President Johnson urged Soviet Premier Nikita Khrushchev today to join him in working on specific proposals to settle East-West differences instead of drafting "vague declarations."

Johnson sent a 1,000-word note to Khrushchev replying to the Soviet leader's Jan. 3 message proposing that world powers sign a declaration renouncing use of force in territorial disputes.

The President said that practical progress toward peace was his "most fervent desire," but that "this requires, not only agreements in principle but also concrete actions on accord with those principles."

"I believe this exchange of letters offers real hope for that kind of progress — and that hope is shared by all peace-loving men in every land," Johnson concluded.

Offer Specific Proposals

Johnson told Khrushchev that the United States, acting with its allies, would offer "specific proposals" for strengthening the peace-keeping machinery in this weeks ahead.

"Both the Geneva disarmament conference and the United Nations are appropriate places for such discussions," he added.

Johnson said that specific agreements were needed rather than "vague declarations of principle that oppose some wars but not all." He said he agreed with Khrushchev's statement that use of force for solving territorial disputes was not in the interest of any people.

The President, with Communist tactics in Berlin and Ko-

rea obviously in mind, then proposed to Khrushchev "guidelines to implement this principle which are even broader and stronger than your own."

Johnson's Proposal

"All governments or regimes shall abstain from the direct or indirect threat or use of force to change international boundaries; other territorial or administrative demarcation or dividing lines established by or confirmed by international agreement or practice; the dispositions of truce or military armistice agreements; or arrangements or procedures concerning access to, passage across or the administration of those areas where international agreement or practice has established or confirmed such arrangements or procedures."

Johnson said at the outset of his note that he welcomed Khrushchev's year-end letter "and agree with much of its contents."

"It is my hope," said the President, "that we can build on these areas of agreement instead of merely emphasizing our well-known disagreements."

THANKS IRISH PEOPLE

DUBLIN, Ireland (UPI) — Matthew McCloskey, outgoing U.S. Ambassador to Ireland, thanked the Irish people for their hospitality Sunday and said his departure will be a "sad day."

A statement issued by McCloskey mentioned no date for his return to the United States. He is resigning to help raise election campaign funds for the Democratic party.

Plans near final stage for construction of integrated steel mill in Philippines

WASHINGTON (UPI) — Philippine Finance Secretary Rufino Hechanova said today only "one or two major points remain to be settled before the U.S. Export-Import Bank lends the Philippines \$62.3 million for construction of an integrated steel mill."

If agreement on these points can be reached today or Tuesday, Hechanova told UPI, formal signing of the loan could come Wednesday. However, he said, agreement would need policy decisions by both the Philippines and the United States.

The \$62.3 million would go for construction of an ore-to-finished product mill at Iligan in northern Mindanao, a Philippine dream since 1951.

Important To Macapagal

The mill is considered the cornerstone of Philippine President Diosdado Macapagal's five-year socio-economic plan because it was expected Iligan would make the island nation self-sufficient in steel production. The Philippines currently

import \$30 million in steel yearly.

The Philippine government will guarantee the loan, but the money actually will be extended to the Philippine Steel Corp. (Philsteel), headed by Hernando Jacinto. Philsteel will manage the new plant as a private enterprise.

Hechanova, one of President Macapagal's closest associates, arrived in Washington Sunday to help a special Philippine steel panel headed by Caesar Zalamea in final negotiations with Export-Import Bank officials.

"These negotiations have been going on for many years," he said. "Last June when I came here the bank gave approval in principle."

Some Agreement Found

"Since then, however, we have been trying to work out terms and requirements. We have with us here today a panel from the Philippines that has been meeting on a technical level with officials of the Ex-

port-Import Bank, and we have agreed more or less on many of the major terms and conditions except for one or two that would require a policy decision, both on their part and on my part."

"Now, if we can clear these two points in the next two days, then we hope that by Wednesday we can wrap it up and sign it."

The Philippine delegation met with U.S. representatives most of Saturday and Sunday on the remaining problems.

The finance secretary, while not going into detail, said the major items yet to be settled concerned safeguards that would protect both the bank and the Philippine government in case something goes wrong with the project.

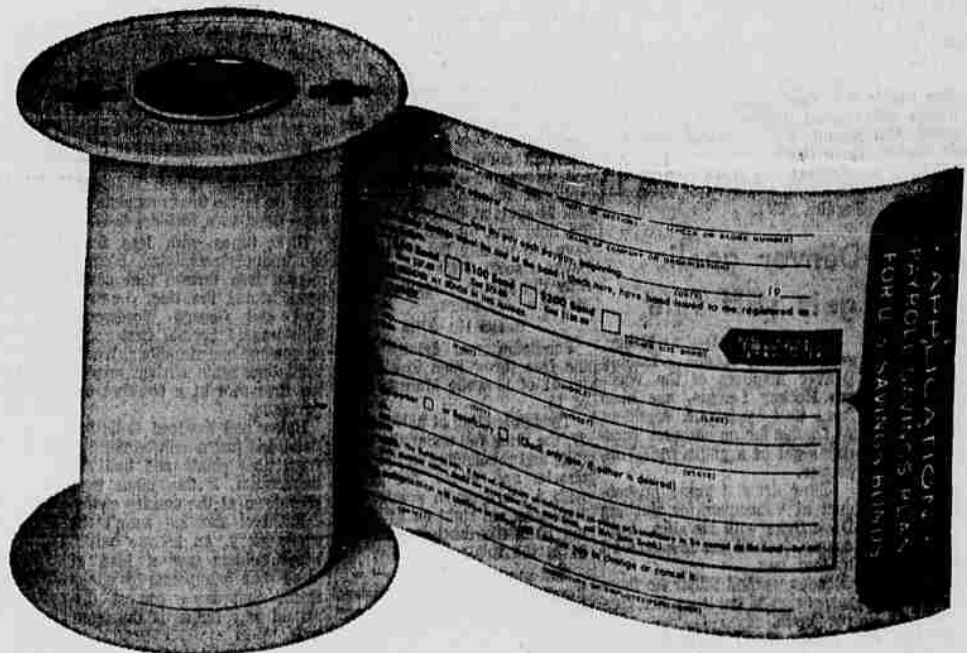
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Castro, Nikita near talks end

MOSCOW (UPI) — Cuban Premier Fidel Castro is expected to wind up his secret talks with Soviet Premier Nikita S. Khrushchev and fly home this week, diplomatic sources said today.

Castro topped off his first week in the Soviet Union Sunday with an outing which included an impromptu run on skis and a ride in a Russian troika sled.



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